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SET B



**INDIAN SCHOOL MUSCAT
FIRST PERIODIC TEST
BUSINESS STUDIES (054)**

CLASS: XI

Max. Marks: 20

MARKING SCHEME			
SET	QN.NO	VALUE POINTS	MARKS SPLIT UP
B	1	d) Tertiary Industries	1
B	2	Sole Proprietorship	1
B	3	<p>A person who is not a partner in a firm but through his/her words or conduct or behaviour represents him/her as a partner is called partner by estoppel.</p> <p>Example: Lakshmi is not a partner but she tells Shyam that she is a partner in a firm called Gurpreet Enterprises. On this impression Shyam sells goods worth Rs.40, 000 to Gurpreet Enterprises. Later on the firm fails to pay the amount. Shyam can recover the amount from the lakshmi. Here she is a partner by estoppel.</p>	1+1
B	4	<p>Earning profit is considered to be an essential objective of every business because of the following reasons:</p> <p>a) It is a source of livelihood for the businessmen.</p> <p>b) It is an important source of finance for meeting expansion needs of business.</p>	1+1
B	5	<p>The various objectives of businesses being discussed in the above paragraph are as follows:</p> <p>a) Market standing: Every business should strive to create and maintain a reputable market position with regard to its competitors. In order to achieve a stronger market standing a business needs to focus on enhancing customer's satisfaction.</p> <p>b) Innovation: In order to obtain an edge over its competitors and boost its public image every business needs to constantly review and revise its products and process in terms of creating better technology and utility.</p>	

		c) Productivity: The ratio of values of input to values of outputs reflects a productivity of activities. Every business seeks to achieve a higher level of productivity by increasing its efficiency.	1+1+1
B	6	<p>The type of partnership being discussed in this case is particular partnership.</p> <p>Particular partnership is a type of partnership which is formed for accomplishment of particular project or for an activity to be carried on for a specific time period. It dissolved automatically when the purpose for which it was formed is fulfilled or when the time duration expires in the given case the partnership between Mr. Praveen Gupta and Mr. Arsh Khan comes to the end on completion of the purpose of partnership i.e. the construction of the residential complex in greater Noida. Hence they are in particular partnership.</p>	1+2
B	7	<p>A sole proprietorship form of business is the one which is owned, managed and controlled by one person.</p> <p>Features:</p> <ul style="list-style-type: none"> • Unlimited Liability <p>In a sole proprietorship, the owner has unlimited liability, i.e., the proprietor is personally responsible to pay all the debts. In other words, if in the business, funds are not sufficient to pay the debt, then the personal assets of the owner may be used to pay off all the liabilities.</p> <ul style="list-style-type: none"> • No separate legal entity <p>A sole proprietorship business has no separate legal entity from that of its owners, like in partnership and company. In the eyes of law, there is no distinction between the owner and his business. It means that the owner of the business bears the responsibility for all the business activities.</p> <ul style="list-style-type: none"> • No sharing of profit or loss <p>There is no sharing of profit or loss, like partnership and company because the business is solely run by a single individual, who provides capital in the business, directs its operation and who alone runs the risk of failure.</p>	1+1+1+1
B	8	(a) Manufacturing Industries: These industries are engaged in producing goods for intermediate or final consumption through processing of raw materials and thus creating form utilities. Manufacturing industries may be further divided into four categories on the basis of method of operation for	

	<p>production.</p> <p>Analytical Industry: Which analyses and separates different elements from the same materials?</p> <p>Synthetical Industry: Which combines various ingredients into a new product?</p> <p>Processing Industry: Which involves successive stages for manufacturing finished products?</p> <p>Assembling Industry: Which assembles different component parts to make a new product?</p> <p>(b) Construction Industries: These industries are involved in the construction of buildings, dams, bridges, roads, tunnels and canals. Engineering and architectural skills play an important role in construction industries. These industries are important for infrastructure development.</p>	3+1
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